

choose among competing telecommunications service providers and access to innovative telecommunications service offerings. As the Commission may know, several states either have legislation or are considering legislation to protect consumer choice, and the National Association of regulatory Utility Commissioners (NARUC) passed a resolution at its summer, 1998, meeting supporting legislative and regulatory policies "that allow customer to have a choice of access to properly certified telecommunications service providers in multi-tenant buildings."

The Commission could provide leadership in this area by working with state commissions and legislative bodies to establish these principles.

#### **CONCLUSION**

As noted above, ALTS commends the Commission for the issuance of the NOI and the accompanying NPRM. The members of ALTS stand ready to help the Commission in any way they can as the Commission continues to encourage the establishment of a competitive model for the provision of advance telecommunications services.

These Comments are being served on the Commission via its new Electronic Filing System (ECFS). Thus, pursuant to paragraph 87 of the NOI, no paper copies are being filed.

Respectfully submitted,

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**ATTACHMENT A**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	CC Docket 91-141
Local Competition	)	CCB-IAD 98-101
Survey	)	

**COMMENTS OF THE ASSOCIATION FOR  
LOCAL TELECOMMUNICATIONS SERVICES**

The Association for Local Telecommunications Services ("ALTS") pursuant to the Commission's Public Notice released on May 8, 1998, hereby submits its Comments in the above-referenced proceeding. ALTS is the national trade

association representing facilities-based competitive local exchange carriers ("CLECs").

## **I. INTRODUCTION AND SUMMARY**

ALTS generally supports the Commission's initiative to collect timely and accurate information on the status of local exchange and exchange access competition for the purposes of tracking the growth of local competition and simultaneously monitoring the performance of the incumbent local exchange carriers (ILECs) in their willingness to open the marketplace to CLECs.

While ALTS recognizes that there exist today other sources (both objective and somewhat less objective) of statistics on local competition, ALTS is unaware of any that would adequately serve the Commission's purposes. Therefore, it supports the Commission's efforts to implement its own data reporting requirements. Although some carriers may advocate the use of one or more existing sources of data the Commission should be extremely hesitant to adopt any source without a thorough review of the information collected, and an understanding of the source of the information and the financial backing and incentives of the organizations collecting the information.

At the same time, the members of ALTS believe that the Commission needs to refocus its efforts to some degree and, consequently, to make a number of changes to the proposed reporting requirements. Changes can be made that will both increase the usefulness of the reports to the Commission and

the public and relieve the burdens on the carriers who will be filing.

The Commission has identified the regulatory flexibility, pro-competition and universal service objectives of the Act as reasons why it should collect the proposed information. While these goals may be valid reasons for collecting information on local exchange competition, the Commission needs to more specifically identify, and broaden in some areas and narrow in others, the purposes for which the information will be sought. Only then can the Commission make the most reasoned judgment as to precisely what information is necessary.

The Commission should, for example, use these reports to track the development and deployment of advanced and broadband telecommunications services. As the Commission is well aware, Section 706 of the Telecommunications Act of 1996, requires the Commission to "encourage" the deployment of advanced telecommunications services. Several petitions have been filed at the Commission by incumbent telephone companies and ALTS relating to the best way to encourage the growth of such services. By tracking the growth of digital versus analog lines and voice versus data switches, for example, the Commission would be in a much better position to make the decisions that it needs to make relative to actions taken pursuant to Section 706.

The Commission's information collection should also be designed to gather the information that will most readily

disclose reasons why competition may not be developing in areas or services of prime concern to most consumers. Consequently, the Commission's survey should focus on obtaining information that will reveal problems with switched services. It is in the switched services that new carriers are finding barriers to entry and bottlenecks that prohibit their growth. Therefore, the Commission should focus on information relating to collocation and the use of unbundled loops, rather than on dedicated circuits.

The Commission should also seek to ensure that any burden of filing the reports will be outweighed by the usefulness of the information collected. In order to insure this, ALTS proposes that information should not be sought from very small carriers and that, at least initially, information should be sought at the state level every six months rather than quarterly.

Finally, the Commission needs to recognize that this data collection effort is necessarily evolutionary in nature and will go through various changes as technological changes occur and the industry evolves. This fact should not delay the Commission's collection effort. The data collection process should commence expeditiously; adjustments can be made as experience dictates.

## **II. REPORTING REQUIREMENTS SHOULD BE APPROPRIATELY LIMITED.**

### **A. Smaller Carriers Should Not Be Required to File Reports.**

As the Commission recognizes in its Public Notice, there

is a burden associated with the filing of any information with the Commission. Especially in light of the fact that one of the primary objectives of the Telecommunications Act of 1996 was the removal of unnecessary regulation, the Commission must ensure that any new reporting requirement is limited to those carriers on whom the burden will not be significant and from whom the information will be useful to the Commission in developing its policies.

ALTS proposes that initially, only carriers with operating revenues of over 10 million should be required to file the reports.<sup>14</sup> Those carriers would be required to file in each state in which service was actually provided in the proceeding six months. Should there be questions relating to competition in an area for which reports have not been submitted, the Commission can always seek information at the appropriate time.

#### B. Filings should be Made Semi-Annually

The Commission has proposed that carriers file the reports quarterly. Quarterly reporting could prove to be a significant burden on carriers, particularly the newer carriers whose resources are limited and devoted primarily to construction and other actions necessary to commence and grow

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<sup>14</sup> Carriers with smaller revenues, whether ILEC or CLEC, obviously would have more difficulty absorbing the costs of reporting. While it is a little difficult to predict, a 10,000,000 cut-off for the filing of reports would probably result in approximately 20 CLECs filing for 1998.

a business.

ALTS suggests, instead, that the Commission initially require that the reports be submitted semi-annually. If the Commission finds that competition is increasing very rapidly, it could then consider increasing the frequency of the reports, either for all states or for particular states where there is significant activity. It would simply be wasteful of carrier and Commission resources to require more frequent reporting prior to any showing that competition is developing at a pace that is rapid enough that quarterly reporting will more accurately reflect the marketplace.

### **III. DATA TO BE FILED**

In general, the draft data survey attached to the notice contains the basic data elements required to understand the current status of local competition. However, it is missing a key component that must be included from the start: identification of advanced broadband facilities and switches. Therefore, we have incorporated this key omission in and other recommended changes in the detailed comments below.

#### **a. Definition of Reporting Areas**

ALTS agrees with the Commission proposal to have the reports reflect data on a state by state basis. As the Commission noted, all carriers today maintain state-by-state data for a variety of tax, regulatory, and other purposes. In addition, to the extent possible, reports should be consistent with what

is reported to the required state commissions today.<sup>15</sup>

Imposing further burdens on CLECs who have minimal staffs to accomplish these requests dictate that the Commission model as much as it can after the State Commission requests.

- b.     Number of Local Service Lines In-Service by ILEC-owned or CLEC-owned Facilities, Unbundled Loops and Lines  
       Sold to Carriers for Resale

ALTS recommends the following changes to the proposal under section A of the draft Survey:

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<sup>15</sup> The Commission should work with the State Commissions to understand exactly what is being required by the states today. This would not necessarily delay the initiation of the data collection very significantly. It should not take the State Commissions very long to forward the relevant information to the FCC.



- The initial report must be for a date that is within 45 days of the filing of the report.<sup>16</sup> Then, going forward, data should be filed within 45 days after the close of the time period.
- Only lines *in-service* should be reported as of the effective date of the report.<sup>17</sup>
- Analog and digital lines should be reported separately for items 1-3.
- Business versus residential need not be reported separately at this time.
- ILECs and ILEC affiliates should be required to report their lines separately from one another.

ALTS supports the Commission proposal that data reflect access lines under the three scenarios identified by the Commission: 1) local service lines sold directly to end users and billed by reporting carrier, 2) local service lines sold to unaffiliated carriers as UNEs (UNE loops) where the

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<sup>16</sup> CLECs would have a particularly difficult time attempting to retroactively determine the information requested on the report. In any event, it only makes sense to obtain the most up to date information possible, even on the first report.

<sup>17</sup> Lines "in service" would include all lines accepted by the CLEC.

reporting carrier provides switching, and 3) local service lines sold to competing local carriers for resale.<sup>18</sup>

Having both the CLEC and ILEC report the same information for items 2 and 3 of the Commission's data survey will be a good check and balance on the actual number of lines in-service.

c. Unbundled Switch Ports and Non-switched services

ALTS recommends that item B.5 of the Commission draft data survey be eliminated. Based upon the manner in which switch ports are purchased today, the number of unbundled switch ports mirrors the number of lines purchased in conjunction with total service resale as reflected in item A.3. At this time, we are not aware of any instance whereby the CLEC is provisioning or will provision its own loops into an ILEC switch.

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<sup>18</sup> This would result in a slightly different report for ILECs and CLECs but, in fact, the information would be similar. ILECs would report 1) ILEC retail lines billed to end users; 2) number of unbundled loops *in-service* to CLECs who utilize CLEC-owned switching; and 3) ILEC lines purchased by the CLEC as a total package for resale. A CLEC would report 1) CLEC retail lines billed to end users; 2) number of unbundled loops *in-service* to a CLEC who utilizes CLEC-owned switching; and 3) total number of lines resold.

Additionally, as noted above, the Commission should focus its attention on switched services. There are not significant issues for new entrants relative to dedicated services and the Commission need not obtain information relevant to those services. Therefore we recommend that items B.6-8 are eliminated.

d. Number of Unaffiliated, Competing  
Local Exchange Carriers.

ALTS recommends that the ILEC report the total number of CLECs, affiliated and unaffiliated, that are purchasing services from the ILEC and not have the CLEC information disaggregated by type of service purchased. This information is already captured in items A.1-3 as discussed above. Therefore, items C.10-13 could be eliminated and the only requested data under C would be total number of CLECs offering service within that specific state.

e. Wire Center and Switch Information

ALTS recommends that Section D be modified as follows. First, an additional item in D should require ILECs and CLECs to report total number of voice and data switches in the state. Second, the ILEC should report separately the number of wire centers that have multiple CLECs physically collocated (D.15) and virtually collocated (D.16). In other words, the ILECs should report the number of wire centers that have one, two, three, or more CLECs in the wire centers. Additional reporting with regards to number of lines from those collocation spaces will be captured in items A.1-3 of the

Commission draft data survey and therefore should be eliminated.

f. Switched Minutes Originated with End Users

ALTS does not support CLEC reporting of any switched minutes of use. Switched minutes of use data is collected differently by all carriers and can not be fit neatly into any one model for data collection.

g. Number of Telephone Numbers Ported by Interim or Long-term Number Portability Methods.

ALTS supports the Commission draft data survey for items F.23-24 for ILECs only.

h. Names of Competing Local Exchange Carriers

Names of specific CLECs are not appropriate or meaningful to the understanding of the status of local competition. Therefore, ALTS recommends that section G be eliminated from the report. What is important for understanding the status of local competition is already reflected in the draft data survey in various sections as addressed above.

**IV. CONFIDENTIALITY OF DATA**

All data elements on the data survey (if modified as requested by ALTS), should be publicly available and not subject to confidential treatment. If confidential treatment is allowed, it will defeat the purpose of the Commission collection of the information. We therefore recommend that these reports are filed on the public record and contain only that information that is inherently needed to track the on-

going growth and opening up of the local marketplace.

#### **V. ELECTRONIC FILING AND RECORDS RETENTION**

ALTS supports the electronic filing of this data survey and will work with the Commission and the industry to determine the most efficient means to file the data via the Internet as opposed to by computer disks. We also recommend that paper copy be filed for the record.

#### **VI. .SUNSET OF FILINGS**

ALTS does not support adoption of a sunset date for this survey. Fifteen years into long distance competition, the Commission still collects data to monitor long distance competition. There is no indication that competition in local markets will develop so much faster than in the long distance market as to justify an automatic sunset. Obviously, the Commission is free at any time to discontinue any reports that it requires of carriers. It is far better at this time to simply decide to reevaluate the need for these reports as competition develops.

#### **CONCLUSION**

ALTS applauds the Commission for its work to date in attempting to initiate a comprehensive survey that will keep it abreast of the local exchange and exchange access markets.

We stand ready to help the Commission devise the most efficient and useful form to serve its public interest purposes.

Respectfully Submitted,

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